Ikigai Approach and Autonomy to Help Improve Employee Retention in It Industry

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ABSTRACT: This research paper is about understanding the Japanese concept of Ikigai and how to bring that approach to IT industry to help increase employee retention.

Employee attrition is one of the most important parts of corporate life today. It has a huge impact on the bottom-line and is a part of cost of doing business. Employee turnover in some cases have far reaching consequences and will hamper the organizations, big time, in achieving their objectives. In many cases losing critical employees may hamper deliverables and will impact the services provided to the client. In this context, it is very important for the organizations to retain their key employees for the organization to go to the next level.

Ikigai is the union of four fundamental components of life: passion, vocation, profession, and mission. If we corelate the above to an employee - we can safely say that when, what the employees loves to do (work/technology) and are good at, meets what you can be valued and paid for because it is needed by the organization, is their Ikigai. This paper is to study on how to implement this concept along with providing the autonomy to the employee for improving employee retention.

KEYWORDS: Ikigai,IT Industry, Employee Retention, Autonomy at work, Ikigai approach at work.

I. INTRODUCTION

The Information Technology (IT) Sector has been one of the hotshots of Indian economy. Remarkable transformation and growth of the economy has created opportunities both in exporting software and services and in the domestic market. The Indian IT & ITES Sector has grown considerably over the last decade and contributed over six per cent of the country's GDP. Growth in Indian IT sector in the world market is primarily dominated by IT software and services, including system integration, IT consulting, application management, custom applications, infrastructure management, software testing and web development. Competitive factors such as skilled manpower, adequate telecommunication networks and appropriate policy framework and regulatory environment have enabled both domestic and foreign firms to rapidly expand in the internationally competitive IT services sector. India is regarded as the premier destination for the global sourcing of IT-ITES, accounting for 51 per cent of the global sourcing market. Employee attrition is one of the most important parts of corporate life today. It has a huge impact on the bottom-line and is a part of cost of doing business. Employee turnover in some cases have far reaching consequences and will hamper the organizations, big time, in achieving their objectives. In many cases losing critical employees may hamper deliverables and will impact the services provided to the client. In this context, it is especially important for the organizations to retain their key employees for the organization to go to the next level.

IT/ITES employees are in high demand and represent a group of employees with elevated turnover potential. As organizations expand globally and increase their use of technology, IT employees become more valuable to the long-term success of most of the companies. In this context the competition to retain key employees is intense. Top-level executives and Human Resource (HR) departments spend large amounts of time, effort and money trying to figure out how to keep the valuable employees from leaving the organization.

Nothing can be more frustrating for the organizations than the constant aggravation of employee turnover. Normally employee turnover varies with the industry and the shape of the economy. The competitive advantage of the organizations depends on the skilled and talented employees. It is they who take the organization to the next level. In this context the main emphasis of human resource management is how to retain skilled and talented work force. A loyal and efficient and work force that is aligned with the organizational

culture, values and goals are to be treasured. The key for any organization to arrest attrition is to view each employee through two lenses: first, the impact the individual's departure would have on the business, given the focus of the change effort and their role in it; and second, the probability that the employee in question might leave.

But in today's world of the millennials where they consider themselves as brands, never thinking twice before making hard choices and strive for a work-life balance or integration – employee attrition is at an all time high. Add to this conundrum,"One in four intends to leave the organization within the year, one in three admits to not putting all their efforts into the job, one in five believes their personal aspirations are quite different from what the organizations have panned for them, and four out of ten resources have little confidence in their co-workers and even less confidence in their senior team"[1] Why? The answer could be due to lot of opportunities in the job market and lack of clarity in terms of expectations on both fronts- employees and employers.

II. IKIGAI APPROACH AT WORK

Picture by Mark Winn

If we corelate the above to an employee - we can safely say that what the employees loves to do (work/technology) and are good at, meets what you can be valued and paid for because it is needed by the organization, is their Ikigai.
An ikigai-inspired approach- the work meets three goals:[4]
1)Employee enjoys his work and gives his best.

Ikigai (ee-key-guy) is a Japanese concept that combines the terms iki, meaning "alive" or "life," and gai, meaning "benefit" or "worth."

When combined, these terms mean that which gives your life worth, meaning, or purpose.[2]

Ikigai is the union of four fundamental components of life: passion, vocation, profession, and mission. In other words, where what you love and are good at meets what you can be valued and paid for because it is needed in the world. Ikigai is only complete if the goal implies service to the community.[3]

Building on this concept and bringing Ikigai approach to work- the organizations should help employees in identifying and homing in on the skills they have or the ones they intend to acquire.

2)Employee is good at specific technology/function or wants to acquire new skills and tries to master that area.
3)Adds value to the organization through his skills by helping it gain competitive advantage.

Viktor Frankl's says that the primary motivational force of an individual is to find a meaning in life. Building on this concept and Ikigai approach at work- the organizations should help employees in identifying and honing-in on the skills they have or the ones they intend to acquire. This can be done by 1) understanding the employees core strengths and provide the right kind of work that challenges and motivates him at all times, 2) His career aspirations and the areas in which he wants to grow by providing the necessary avenues and training and development needed for the same, 3) aligning the organizational goals with those of individuals to make it a win-win situation on all fronts for both the employee and the organization.

The needs of an employee and an organization should go hand in hand. An employee should only be assigned those roles for which he has the adequate skills and knowledge or for which he qualifies. This way, the goals of both the parties can be achieved. The employees should be slotted

into their roles by following the above Ikigai approach.

In the above context- the key for organizations is to provide the right guidance and autonomy for the employees to identify their ikigai and align it with organizational goals. One of the major factors that would influence employees in retaining with an organization is the autonomy they have in deciding on how to go about in completing their deliverables once they zero in on the objectives. Also important is how much of freedom the employees have in setting their objectives for a performance year, in alignment with the organization objectives leveraging their strengths and love for the work/technology.

III. EMPLOYEE SURVEY

In an industry where attrition rates vary from 15 per cent to 50 per cent between companies and recruitment and development costs form a significant component of the operating costs, good talent management practices are being seen as increasingly critical to survival. These days, attrition is no longer an internal issue alone to the organizations. In IT/ITES companies involving overseas clients, clients are not willing to accept project delays on account of attrition. They no longer are willing to foot financial losses resulting from delayed delivery. So they are now introducing the "Retention Clause" in contracts. This will make enterprises responsible for retaining people/teams working on the client projects. Failing which they will attract financial penalties.

In the context of Ikigai- the key for organizations is to provide the right guidance and autonomy for the employees to identify their ikigai and align it with organizational goals. To understand the importance of autonomy as a factor influencing employee retention, a survey was conducted, and the responses have been analysed. Autonomy is defined as the degree to which the position provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out. One of the major factors that would influence employees in retaining with an organization is the autonomy they have in deciding on how to go about in completing their deliverables once they zero in on the objectives. Also important is how much of freedom the employees have in setting their objectives for a performance year, in alignment with the organization objectives.

Method of Sampling: Simple random

sampling method was adopted for collection of primary data. A sample is a small proportion of a population selected for observation and analysis. So much care has been taken while selecting the sample for the study. While explaining the importance of this method of sampling, John W. Best said "In addition to or instead of, socio-economic status, such characteristics as gender, age, type of job, experience in the current job, level of education, status with organization etc., might provide a base for choosing a sample". In this regard the researcher has selected Hyderabad as the study area, as the IT industry is spread with plenty of infrastructure and employment in this region. In pursuit of identifying those key factors that would influence employee retention, this study was conducted by reaching out to 650 IT/ITES professionals of different organizations in Hyderabad. The researcher had received responses from 402 respondents, who are classified under three levels of managements- entry, middle and senior level, based on their designations. The break-up of these 402 respondents based on their level in the organizational hierarchy are respectively- 88 for senior level, 113 for middle level and 201 for entry level. The number varies for three levels as the employee strengths in all organizations reduce as we move up the organizational hierarchy. The sample covers some of the well-known IT companies that are situated in Hyderabad city.

Participants in the study were asked to complete a questionnaire with what they felt with respect to the questions covering various factors that the researcher thought was major in influencing an employee's retention. In addition, several one-on-one interviews and observations were conducted to supplement the surveys.

IV. EMPIRICAL ANALYSIS

To understand the importance of autonomy as a factor influencing employee retention, the responses received for the five questions associated with this factor has been analysed. Autonomy is defined as the degree to which the position provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out. One of the major factors that would influence employees in retaining with an organization is the autonomy they have in deciding on how to go about in completing their deliverables. Also important is how much of freedom the employees have in setting their objectives for a performance year, in alignment with the organization objectives.

Sl. No	Statements	Levels	SD	D	UD	A	SA	Total
1	I am given the autonomy to set my goals and am accountable to meet exceed them, in alignment with organization goals.	Senior	1 (1.1)	9 (10.2)	6 (6.8)	55 (62.5)	17 (19.3)	88 (100.0)
		Middle	5 (4.4)	19 (16.8)	19 (16.8)	64 (56.6)	6 (5.3)	113 (100.0)
		Entry	12 (6.0)	38 (18.9)	50 (24.9)	95 (47.3)	6 (3.0)	201 (100.0)
2	My manager gives me the freedom to work my way and does not micro manage.	Senior	-	7 (8.0)	9 (10.2)	50 (56.8)	22 (25.0)	88 (100.0)
		Middle	8 (7.1)	19 (16.8)	13 (11.5)	62 (54.9)	11 (9.7)	113 (100.0)
		Entry	5 (2.5)	19 (9.5)	45 (22.4)	116 (57.7)	16 (8.0)	201 (100.0)
3	My suggestions and ideas are valued by my manager.	Senior	-	5 (5.7)	12 (13.6)	52 (59.1)	19 (21.6)	88 (100.0)
		Middle	5 (4.4)	13 (11.5)	16 (14.2)	68 (60.2)	11 (9.7)	113 (100.0)
		Entry	3 (1.5)	26 (12.9)	33 (16.4)	129 (64.2)	10 (5.0)	201 (100.0)
4	My manager assigns me a project of my choice (based on my skills and experience).	Senior	1 (1.1)	5 (5.7)	19 (21.6)	48 (54.5)	15 (17.0)	88 (100.0)
		Middle	8 (7.1)	20 (17.7)	19 (16.8)	60 (53.1)	6 (5.3)	113 (100.0)
		Entry	5 (2.5)	68 (33.8)	41 (20.4)	84 (41.8)	3 (1.5)	201 (100.0)
5	My manager provides me an opportunity to provide 360" feedback and values my opinions.	Senior	5 (5.7)	6 (6.8)	12 (13.6)	48 (54.5)	17 (19.3)	88 (100.0)
		Middle	8 (7.1)	14 (12.4)	23 (20.4)	59 (52.2)	9 (8.0)	113 (100.0)
		Entry	10 (5.0)	35 (17.4)	41 (20.4)	109 (54.2)	6 (3.0)	201 (100.0)

It can be inferred that there is a significant difference in employee responses across the organization on the autonomy given to them to set their own goals and to be accountable to meet them. More senior level employees think positively about it when compared to entry and middle level employees.

More senior level employees think that their manager gives them the freedom to work their way and does not micromanage when compared to the middle and entry level employees. Managers should make sure they give sufficient freedom to their employees while maintaining the needed supervision. This would help in improving retention of employees.

With regards to employee opinion on their manager assigning them a project of their choice, more entry level employees tend to disagree with it when compared to middle and senior level employees.

With millennials constituting majority of this workforce, this anomaly needs to be corrected by the managers.

More senior level employees agree that they are provided an opportunity to provide a 360^0 feedback to their supervisors, relative to middle and entry level employees agreeing to it. Organizations should have a policy to have the employees provide 360^0 feedbacks to their managers. That will not only give an opportunity for the managers to improve themselves by plugging the gaps in their management and will also make the employees feel that their opinions are valued. This would translate into more employee retention.

It can be understood by analysing the data that employees want to have more autonomy in their work. Even the entry level employees, mostly constituting the millennials want more autonomy in doing things. In that context organizations should communicate their objectives to the employees and should have them align their individual objectives accordingly. Once the work path is determined, employees should be given the freedom and autonomy to work their way through. This will not only make them feel valuable it also makes them accountable for their assignments.

Again, in their best employer survey Hewitt Associates found that, the average number of times the CEO communicates business information to employees per year is 23 for best employers while it is only 7 times for the rest. Organizations should make sure their management communicates with their employees frequently updating on the business developments and discussing their issues to address them. According to the Hewitt survey, the per cent of companies that share business goals/objectives with employees at least once a month is 56 per cent for the best employers while it is only 28 per cent for the rest.

V. CONCLUSION

Once the jobs are assigned to the employees, the employer should try and build an informal system alongside a pre-existing formal system of communication. An informal system of communication or management enhances the culture of an organization and gives opportunity to employees to open with the people they think they can rely on in the organization.[5]

This system also contributes to a good work environment and has constructive impact on the productivity of employees. Various survey findings suggest that there is a direct linkage between informal system of communication and productivity of employees and again it becomes a win – win situation.

It is particularly important for organizations to have a rigorous performance management program for them to reach their goals/objectives. Organizations /managers need to conduct more frequent formal performance reviews, discussions, and feedback mechanisms for the employees to better their performance and to make sure there are no surprises at the year-end appraisals. This will help employees do any course correction at their end that is needed at periodic intervals.

Work life balance of employees should be a top priority for all organizations. They should make sure employees strike a balance between the two for the good of the organization and their individual families as well.[6]

Apart from these actions from employer's end, an employee can bring Ikigai to his workplace by doing certain tasks from his end. The action-oriented tasks would include asking these four questions to one's own self before forcing oneself to a certain role. a) Work they would love to do? b) Are they good at what they are doing? c) What does the organization need from them?   d) Pay in alignment to the work being done? A pragmatic review of the above questions would help an individual introspect his worth, the value he is providing to the organization and the respect he gets from the organization in return. It the answers are found to be meaningful and fulfilling, employees would stay put resulting in reducing employee attrition. If this concept of Ikigai is practiced at both ends- employee and employer- then most people would retain with the organization, will be very much engaged at work with a sense of accomplishment.

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